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RHEHNSC/WHITE HOUSE NSC WASHDC  
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RUCPDO/DEPT OF COMMERCE WASHDC  
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STATE FOR WHA/BSC, INL/LP (JIM HIDES)  
EB/IFD/OIA  
STATE PASS TO USAID FOR LAC/AA  
STATE PASS TO USTR FOR LYANG  
NSC FOR SUE CRONIN  
TREASURY FOR OSIA MAUREEN WAFER  
TREASURY FOR OTA WARFIELD, VAN KOCH, MILLAR  
COMMERCE FOR ITA SARAH COOK  
SOUTHCOM FOR POLAD

E.O. 12958: N/A

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SUBJECT: PARAGUAY POLITICAL AND ECONOMIC UPDATE JUNE 23-29,  
2007

11. (U) SUMMARY:

- A Dissident Divide
- Election Turned Congressional Smackdown
- GOP Forgets Their Fogeys

A DISSIDENT DIVIDE

12. (U) Alfredo "Goli" Stroessner announced June 27 that The Peace and Progress Movement (MPP) would withdraw its support for presidential hopeful Vice President Luis Castiglioni. The MPP now openly supports Colorado Party (ANR) president Jose Alberto Alderete. Alderete announced that same day that he would run for president in the ANR primaries. Congressmen from the ANR dissident group had hoped that Alderete and Castiglioni would unite; however, Castiglioni's announcement of Ciudad del Este mayor Javier Zacarias Irun as his running mate ended any such possibility. Many congressmen believe the split among ANR dissidents will give President Nicanor Duarte Frutos, hand-picked presidential candidate Blanca Ovelar the upper hand in the ANR primaries, with many speculating that the Alderete candidacy is just for that purpose.

ELECTION TURNED CONGRESSIONAL SMACKDOWN

13. (U) Congress officially elected a new presidency on June 126. The Deputies elected Colorado Party (ANR) dissident Oscar Salomon as its new president, Osvaldo Ferras (PLRA) as vice president, and Gustavo Mussi (UNACE) as the second vice president. Exiting President Victor Bogado (an ANR officialist) conducted a second election after a dispute during the original session on June 21 led to fistcuffs between officialist and dissident ANR congressmen. Over a technicality Bogado deemed election results illegitimate. Both elections, however, garnered the same results.

GOP FORGETS THEIR FOGESYS

14. (U) A press report revealed that the GOP is currently incapable of providing adequate services for the growing

elderly population. With the number of registered elderly adults already bordering 500,000, or approximately 7.6% of the total population, the GOP,s Department of Public Health (which invests approximately USD 935,000 in services for the aging public) remains severely unequipped for the steady influx of 15,000 persons reaching the age of 60 every year. Press reports indicate that within the country, there exist only 4 public homes for the elderly and 7 geriatric physicians. According to the same report, only 14% of senior citizens aged 60 years and older are beneficiaries of social security. Only about 20% of the elderly population receives some form of retirement pay or pension. The proportion of elderly adults is expected to increase from 11.6% in 2025 to 18.5% in 2050.

CASON